

London's Economy Today - Issue 245 - January 2023

Key information

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Overview

- Inflation turning a corner, but households still face pinch points ahead
- UK businesses face a challenging start to 2023
- Signs of a spring thaw for the global economy?

Economic Indicators

- The sentiment of London's PMI new business activity index increased slightly from 49.2 in November to 49.5 in December but remained marginally negative. An index reading above 50.0 indicates an increase in new orders on average across firms from the previous month.
- In December, net expectations for house prices in London for the next three months remained highly negative, according to surveyors with the net balance of house prices expectations in London at -66 in December, lower than the balance of -56 in November. The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.
- Consumer confidence in London decreased and remained negative in January with the consumer confidence index in London decreasing from -22 in December to -30 in January. The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the

past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.

LET supplement: Quality of jobs for London workers

- Londoners are not low paid relative to the UK average, but wage inequality exists locally. Using the median pay in the worker's local authority as a benchmark, London was the region with the largest share of low paid workers at 16%. This is due to big differences between the highest and lowest earnings in London, which are larger than in the rest of the UK.
- Several job quality outcomes are occupation-specific. The most positive responses on career opportunities in London were found in Professional, Managerial and Associate Professional occupations. Workers in Elementary occupations were instead the least likely to report good progression opportunities.
- Though there are more indicators for which London workers were worse off than better off, when compared to other regions or the UK overall, it is likely that these outcomes are a result of the occupational mix in London.

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